



- Revenue up 28%
- Operating income up 50%
- Earnings up 35%
- Net debt to equity down to 42%

AUDITED GROUP RESULTS FOR THE YEAR ENDED 30 JUNE 2002

Consolidated balance sheet

	2002 Rm	2001 Rm
ASSETS		
Non-current assets		
Property, plant and equipment	1 770,0	1 464,4
Goodwill	1 075,7	1 050,5
Investments	507,9	618,5
	3 353,6	3 133,4
Current assets		
Inventories	1 249,5	920,3
Trade and other receivables	3 020,6	1 727,3
Cash and cash equivalents	678,6	368,0
	4 948,7	3 015,6
TOTAL ASSETS	8 302,3	6 149,0
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary shareholders' funds	2 555,0	2 012,9
Minority interests	248,7	173,7
Total shareholders' funds	2 803,7	2 186,6
Non-current liabilities		
Interest-bearing borrowings	614,9	632,3
Deferred tax	66,9	76,5
	681,8	708,8
Current liabilities		
Trade and other payables	3 507,5	2 247,7
Short-term interest-bearing borrowings	1 253,3	930,3
Taxation	56,0	75,6
	4 816,8	3 253,6
TOTAL EQUITY AND LIABILITIES	8 302,3	6 149,0

Cash flow statement

	2002 Rm	2001 Rm
Cash retained from operating activities	216,8	315,6
Net fixed assets purchased	(624,4)	(492,3)
Acquisitions net of disposals	0,3	(1 550,2)
Investments – other	243,7	17,8
Net long-term borrowings	48,9	529,0
Proceeds from disposal of treasury shares	169,0	
Net increase/(decrease) in cash and cash equivalents	54,3	(1 180,1)
Cash and cash equivalents at beginning of the year	(485,2)	694,9
Cash and cash equivalents at end of the year	(430,9)	(485,2)

Segmental information

	2002 Rm	%	2001 Rm	%
Revenue				
Construction	9 559,2	72,5	7 517,5	72,9
Steel & Allied	3 626,0	27,5	2 799,6	27,1
	13 185,2	100,0	10 317,1	100,0
Operating income				
Construction	345,0	53,6	253,1	58,8
Steel & Allied	299,1	46,4	177,7	41,2
	644,1	100,0	430,8	100,0
Geographic revenue				
Republic of South Africa (CMA)	7 286,5	55,3	6 654,8	64,5
Africa and Middle East	3 499,6	26,5	2 217,3	21,5
Australasia and South East Asia	2 399,1	18,2	1 445,0	14,0
	13 185,2	100,0	10 317,1	100,0

Other group information

	2002	2001
Number of shares in issue and weighted average (millions)		
In issue	396,1	356,1
Weighted average	378,6	328,5
Diluted weighted average	392,3	383,4
	Rm	Rm
Non-trading items		
Net (surplus)/loss on disposal of properties	(1,3)	0,6
Net loss/(surplus) on disposal of investments	5,9	(7,9)
	4,6	(7,3)
Capital expenditure		
Expansion	315,6	324,8
Replacement	387,5	211,3
	703,1	536,1

Consolidated income statement

	2002 Rm	2001 Rm	% Change
Revenue	13 185,2	10 317,1	28
Operating income before depreciation	1 008,3	722,9	
Depreciation	364,2	292,1	
Operating income	644,1	430,8	50
Income from associates and joint ventures	113,8	99,9	
Income from investments	48,6	67,2	
Income before interest paid	806,5	597,9	35
Interest paid	242,6	178,5	
Income before goodwill and non-trading items	563,9	419,4	34
Amortisation of goodwill	(53,8)	(65,9)	
Non-trading items	(4,6)	7,3	
Income before taxation	505,5	360,8	40
Taxation	119,7	78,6	
Income after taxation	385,8	282,2	37
Minority interests	23,3	14,3	
Earnings	362,5	267,9	35
Net adjustments for amortisation of goodwill and non-trading items	58,4	58,6	
Headline earnings	420,9	326,5	29
EARNINGS PER SHARE (Cents)			
Earnings	95,7	81,6	17
Diluted headline	107,3	86,8	24
NET ASSET VALUE PER SHARE (Cents)	645,0	517,1	25
DIVIDEND PER SHARE (Cents)	27,0	22,5	20

Statement of changes in equity

Rm	Share capital and premium	Non distributable reserves	Automatically convertible subordinated debentures	Retained income	Total
Balance at 1 July 2000	601,2	26,0	171,2	989,1	1 787,5
Earnings for the year				267,9	267,9
Dividends paid				(60,7)	(60,7)
Foreign currency translation		16,0			16,0
Increase in share premium as a result of the issue of shares to LTA Limited shareholders and share scheme participants	2,9				2,9
Transfers		(6,9)		6,9	
Other		(0,7)			(0,7)
Balance at 30 June 2001	604,1	34,4	171,2	1 203,2	2 012,9
Conversion of debentures	1,6		(171,2)		(169,6)
Earnings for the year				362,5	362,5
Disposal of treasury shares	170,1				170,1
Dividends paid				(74,3)	(74,3)
Foreign currency translation		77,7			77,7
Premium on issue of ordinary shares to redeem the debentures	175,7				175,7
Transfers		(0,4)		0,4	
Balance at 30 June 2002	951,5	111,7		1 491,8	2 555,0

Notes

These results had been compiled in accordance with the South African Statements of Generally Accepted Accounting Practice and the Listings Requirements of the JSE Securities Exchange South Africa and Schedule 4 of the South African Companies Act. The accounting policies used in the preparation of the results are consistent in all material respects with those adopted in the annual financial statements for the year ended 30 June 2001. During the year the group adopted AC 116 (employee benefits) and AC 135 (investment properties). There has been no effect on earnings in the adoption of these statements. No material events have occurred subsequent to the year-end, other than the sale of the 34% interest in Omnia Limited held by Alpha (Pty) Limited.

The results have been audited by Ernst & Young and the unqualified audit opinion is available on request from the company secretary at the company's registered office.

The group's annual financial report will be distributed by the end of September 2002. The group subscribes to the Code of Corporate Practice and Conduct as contained in the King Report on Corporate Governance for South Africa: 2002. Matters requiring formalisation and attention will be addressed during the current financial year.

COMMENTARY

Financial review

Aveng had another excellent year of consistent profit improvement. Diluted headline earnings per share amounted to 107,3 cents, 24% up on the previous year. Revenue grew by 28% to R13,2 billion, an estimated 8% of which can be ascribed to the unusually high depreciation of the Rand against the US Dollar. Operating income increased by 50% and earnings by 35% compared to the prior year. Earnings per share were impacted by the conversion of 40 million automatically convertible debentures during the period.

Return on average equity improved to 18,4% compared to 17,2% in the prior year, the fifth consecutive year of growth in this important benchmark. The debt-to-equity ratio reduced from 55% to 43% in line with expectations, in spite of funding substantial revenue growth and capital expenditure that exceeded depreciation by R339 million. Hard currency revenues increased from 35% to 45%. The net asset value per share grew by 25% to 645 cents.

Operational review

Construction

Grinaker-LTA has substantially completed its rationalisation process and is now a fully integrated business with seven large and well resourced business units. Successes during the year included adding high profile projects such as the Mozambique pipeline contract for Sasol. McConnell Dowell, the 63% held Australian listed construction business returned to a more acceptable level of profitability and size of order book. Overall, the Construction cluster registered a 27% revenue growth and a 36% growth in operating income. Construction is strongly positioned with a two year order book up to 103% of Construction revenue.

Steel & Allied

This cluster consists of the steel trading and processing businesses of Trident and the Grinaker-LTA Infrastructure and Mining Services business unit. Due to the rapidly growing local and export driven steel market, the cluster registered a revenue growth of 30% and increased operating income by 68%.

Structural steel sales into mining and energy construction projects have been strong while the motor and steel-based manufacturing businesses have been particularly buoyant over the past year, largely the result of export driven demand. Iscor reports that local sales for the year ending June are up by 19%, however, demand in this sector is likely to decline as a result of the substantial steel price increases of the past few months.

Cement

Alpha is South Africa's second largest cement company, 46% held by Aveng and is equity accounted. Despite a volume decline of 1% in the past year operating income is up 43%. Its 34% interest in Omnia Limited was sold after the year-end and its investments in Natal Portland Cement, Slagmont and Ash Resources are under review. Alpha recently embarked on a three year R340 million capital driven efficiency programme.

Strategy

The past two years were focused on positioning and growth. The next two years will reflect the benefit of that growth in the group's cash flow, the operating income margins and other efficiency measures. The emphasis will be on quality rather than quantity of work.

Prospects

Construction is strongly positioned with its R9,8 billion two year order book and is in the position of being able to be selective about the work it targets. Steel & Allied continue to trade well, fuelled by local construction demand and competitive rand-induced exports in the motor and manufacturing sectors. Cement volumes are flat but efficiency continues to improve.

Unless there is a substantial change to our operating environment in the year ahead, Aveng should be able to repeat the past year's growth in diluted headline earnings per share. The group will move closer to achieving the 20% return on average equity objective and aim to better the 35% net debt to equity target.

Dividend declaration

Dividend No 3 of 27,0 cents per share, being the total dividend for the financial year ended 30 June 2002 (2001: 22,5 cents per share) has been declared payable on Monday, 28 October 2002 to those shareholders recorded in the books of the company at the close of business on Friday 25 October 2002.

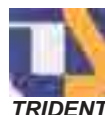
Last date to trade shares cum dividend	Friday, 18 October 2002
Shares trade ex dividend from	Monday, 21 October 2002
Record date	Friday, 25 October 2002
Payment date	Monday, 28 October 2002

No dematerialisation or rematerialisation of shares will be allowed for the period from 21 October 2002 to 25 October 2002, both dates inclusive.

By order of the board

Richard Savage (Chairman), Carl Grim (Chief Executive), Dennis Gammie (Financial Director)

Sandton, 6 September 2002



Targeting construction in the developing world supported locally by steel and cement

Directors: R B Savage* (Chairman), P L Erasmus* (Deputy Chairman), C Grim (Chief Executive), D R Gammie (Financial Director), C V Campbell*, P F Crowley, M M Doyle*, J R Hersov*, H D K Jones, V Z Mntambo*,

A R Mpungwe* (Tanzanian), P J Owen* (Australian), M Taback*, W Wassermeier *Non-executive director Company secretary: P H Hansen

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